

**FFIEC-APPRAISAL SUBCOMMITTEE**  
**MEETING MINUTES [PUBLIC]**  
**December 13, 2007**

**ATTENDEES:** G. Gibbs (FRB), S. Fritts, (FDIC), S. Cooper, (HUD), D. Ledbetter (OCC), D. Merkle (OTS). **Permanent staff:** M. Weinberg (Acting Executive Director & General Counsel), Denise Graves (Appraisal Policy Manager), V. Ledbetter, (Appraisal Policy Manager), Jenny Tidwell, (Appraisal Policy Manager), C. Beasley (Administrative Officer), R. Seward (Information Management Specialist).

**ABSENT:** L. Fazio (NCUA), S. Gardner, (FDIC), V. Price (OCC), Kristi Klamet, (Appraisal Regulatory Manager).

The meeting was called to order at 10:40 am by G. Gibbs.

**Visitors:** John Rasmus (ABA).

**<PUBLIC SESSION>**

**ADMINISTRATIVE MATTERS**

- **Meeting Minutes** – M. Weinberg presented the October 11 and November 8, 2007 meeting minutes, for approval. After discussion, S. Fritts moved to approve the October 11 minutes with edits, and D. Ledbetter seconded the motion. All members present agreed. D. Merkle moved to table the November 8 minutes because a majority of ASC member attendees did not participate in the November 8 meeting. G. Gibbs seconded the motion, and all members present agreed. The November 8 minutes will be circulated for ASC approval by notation vote.

**ACTION**

- **Appraisal Foundation 2008 Grant Request, as amended by a request for additional funds for the National Examination Project** –D. Bunton, J. Brennan, and C. Johnson attended from the Appraisal Foundation to present the 2008 grant proposal and a request for additional funds for the National Examination Project. The Foundation's 2008 grant request is for \$1,110,355, \$36,000 more than the Foundations 2007 grant. J. Brennan presented the Appraisal Standards Board (“AQB”) report. He stated that, during 2008, the ASB will be reaching out to users of appraisal services, practitioners, and other interested parties regarding how USPAP can be made more understandable and enforceable. In connection with this effort, the ASB plans to hold a "congressional-style" hearing at its first 2008 public meeting, host other meetings throughout the year, and conduct surveys, perhaps via the Internet. Based on information gained through these efforts, the ASB then will determine the scope of potential revisions to the 2010-11 edition of USPAP and the timing of the first exposure draft. The ASB also will be considering revisions to USPAP's Jurisdictional Exception Rule. D. Bunton outlined the AQB's planned activities under the 2008 grant proposal. The AQB will be focusing on several areas. First, the AQB plans to continue its efforts to assist State appraiser regulatory agencies in their efforts to smoothly

implement the 2008 criteria changes and to provide the States with problem solving assistance should complications arise. Second, the AQB will focus on closely monitoring and updating the new 2008 National Uniform Licensing and Certification Examinations. Third, the AQB will continue its efforts to improve the quality and uniformity of USPAP education in several ways that are described in the 2008 grant proposal. Next, the AQB plans to continue approving appraiser educational courses through its Course Approval Program; working through its Best Practices For Supervising Appraisers Task Force to create printed guidance in the form of best practices outlining supervisor appraiser and trainee roles and responsibilities; examining ways to incorporate appraiser-related education within college and university curriculums through the University Appraisal Education Task Force; and monitoring pending Federal legislation that could amend Title XI significantly. Finally, both the AQB and the ASB intend to update their policies and procedures to reflect that several of the Foundation's programs involved complementary efforts by both the AQB and ASB. D. Bunton then outlined the Foundation's request for an additional \$70,650 for the ongoing National Appraiser Examination grant. These additional monies would fund three subject matter expert panels to develop 315 new questions for each of the three credential examinations. Each panel would have six members. An AQB member also would participate on each panel. The Foundation failed to include this component in its initial National Appraiser Examination grant proposal. After discussion, D. Merkle moved to approve the Appraisal Foundation's 2008 grant proposal and the additional funds for the National Appraiser Examination grant. S. Cooper seconded, and all members present approved.

- **Appraisal Foundation request to reprogram 2007 National Appraiser Examination grant funds for approval** – T. Watson presented the Appraisal Foundation request to reprogram \$21,944 in unused 2007 funds allocated to the National Appraiser Examination grant to pay for the development of a Test Administration Manual and a Student Handbook. After discussion, S. Cooper moved to approve the request, and D. Merkle seconded the motion. All members present agreed. [The Foundation representatives left the meeting.]
- **Hiring an additional Administrative Officer for approval** – M. Weinberg proposed adding a second Administrative Office to the ASC staff, using the existing position description. After discussion, S. Fritts moved to approve the proposal, and D. Merkle seconded the motion. All members present agreed.

## DISCUSSION

- **Hiring ASC Legal Officer** – In view of the planned retirement of M. Weinberg from Federal government service on March 1, 2008, the ASC generally discussed the need to hire his replacement and whether that position should be filled as it currently exists or whether it should be restructured. The ASC directed M. Weinberg to place this item on the January 2008 meeting agenda for action.
- **Agreed-Upon Procedures Report on the Appraisal Foundation** – M. Weinberg noted that O'Connor & Drew, CPA, our outside auditors performed the ASC's annual Agreed-

Upon Procedures Report regarding the operations of the Appraisal Foundation. The Report's findings were unremarkable. [J. Rasmus left the meeting.]

## **OTHER MATTERS**

None.

## **<CLOSED SESSION>**

## **ACTION**

- **Fifth Field Review of Kansas' Appraiser Regulatory Program** – M. Weinberg presented the field review report and draft letter. After discussion, D. Merkle moved to accept the report and to approve the letter, with edits, designating authority to the Chairman to review and sign the letter. S. Fritts seconded the motion, and all members present agreed.
- **Sixth Field Review of Ohio's Appraiser Regulatory Program** – M. Weinberg presented the field review report and draft letter. After discussion, S. Cooper moved to accept the report and to approve the letter, with edits, designating authority to the Chairman to review and sign the letter, and D. Ledbetter seconded the motion. All members present agreed.
- **Fifth Field Review of Michigan's Appraiser Regulatory Program** – M. Weinberg presented the field review report and draft letter. After discussion, D. Merkle moved to accept the report and to approve the letter, with edits, designating authority to the Chairman to review and sign the letter. S. Fritts seconded the motion, and all members present agreed.
- **Sixth Field Review of Texas' Appraiser Regulatory Program** – M. Weinberg presented the field review report and draft letter. After discussion, S. Fritts moved to accept the report and to approve the letter, with edits, designating authority to the Chairman to review and sign the letter, and D. Ledbetter seconded the motion. All members present agreed.

The meeting adjourned at 12:40 pm. The next ASC meeting will be held on January 10, 2008.

## **<EXECUTIVE SESSION>**

- **ASC personnel issues**